THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (c). Yes Sir. Those cases approved by the Committee of Secretaries for availing benefits of Zero Duty EPCG Scheme, where the CIF value of the Capital Goods to be imported, exceeds Rs. 100 crores, requires approval of Commerce Minister/Finance Minister before the licences are issued and such cases have been submitted for approval. Details are as follows :

1. M/s. Parsrampuria Synthetic Ltd.
2. M/s. Malvika Steel Ltd.
3. M/s. Usha Ispat Ltd.
4. M/s. International Aluminimum Products
5. M/s. Tata Engg and Locomotive C. Ltd.
6. M/s. Owen Corning (I) P. Ltd.
7. M/s. Reliance Industries Ltd.
8. M/s. Reliance Industries Ltd.

Decision on the above is expected shortly.

Assistance to Assam

4359. SHRI UDDHAB BARMAN : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have taken/proposed to take measures to improve the flow of instuitutional finance for industrial development of Assam and N.E. States; and

(b) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b). The decision to locate a project in a particular State/Region vests with the entrepreneurs who, in turn is guided by such factors as the level of infrastructure facilities available in the State, availability of raw materials, skilled labour and proximity of market. With a view to accelerating industrial development, a new public financial institution named as North Eastern Development Finance Corporation Ltd. (NEDFI) has been established to finance creation, expansion and modernisation of industrial enterprises and infrastructure projects in the North Eastern Region including the State of Assam, Nothwithstanding the establishment of NEDFi, it would be the endeavour of All India Financial Institutions to assist all financially, economically, commercially viable and technically feasible projects coming-up in Assam and other States of North Eastern Region.

Insurance Claims in J & K

4360. SHRI CHAMAN LAL GUPTA : Will the Minister of FINANCE be pleased to state :

(a) the amount paid by various Insurance Companies in Jammu and Kashmir in lieu of the killings, fire and other damages caused since the outbreak of violence and terrorism in the state;

(b) the number of timber depots burnt each year and the amount paid by various Insurance Companies to the State owned Forest Corporation of Jammu and Kashmir and the number of pending claims alongwith the amount involved therein;

(c) whether the Insurance Companies have decided not to insure timber depots of the Jammu and Kashmir State Forest Corporation particularly in Doda District, and

(d) if so, since when this decision has been taken and the reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (d). The General Insurance Corporation (GIC) has reported that an amount of Rs. 11140.80 lakhs worth of insurance claims were paid by the general insurance industry since the out-break of violence and terrorism in the State of Jammu and Kashmir. Between the period 1991-92 to 1993-94, 38 claims were reported and an amount of Rs. 1644.02 lakhs has been paid towards claims settlement. Another 11 claims to the extent of about Rs. 723.86 lakhs are still pending with the companies for settlement. In November 1994, the revised premium rate proposed by the general insurance industry for providing insurance cover to the timber depots was not accepted by J and K State Forest Corporation including the depots located in Doda District.

Fraud by Financial Companies

4361. SHRI I.D. SWAMI : Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question 1036 dated March 8, 1996 and state :

(a) the details of delinquent companies against whom the R.B.I. has taken action for contravention of its directions; and

(b) the number of letters/complaints received by the R.B.I. and the Government for non-payment of principal and interest on deposits by these companies during the last three years and the action taken thereon?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b). Reserve Bank of India has reported that as per the present regulatory framework only the deposit acceptance activities of Non-Banking Financial Companies, Miscellaneous Non-Banking Companies and Residuary Non-Banking Companies are regulated by three sets of Directions issued by it in accordance with the provisions of the RBI Act, 1934. These directions stipulate ceiling on deposits, rate of interest on deposits, maintenance of liquid assets, etc. The RBI is empowered to take action

against delinquent companies for contravention of its directions by prohibiting the concerned companies from accepting further deposits and launching prosecution proceedings against them in courts of law. Reserve Bank of India has further reported that 208 companies (mainly residuary non-banking companies) have been prohibited from accepting further deposits for violation of the directions. It, however, cannot enforce repayment of deposits and payment of interest thereon and the remedy left to the depositors is to enforce the contract in a court of law. acceptance of deposits being a civil contract. As and when complaints regarding non payment of principle and interest is received by RBI/ Government, complainants are advised accordingly.

Import Duty on Titanium Dioxide

4362. SHRI T. GOVINDAN : Will the Minister of FINANCE be pleased to state :

(a) whether the Union Government have received the request of the State Government of Kerala regarding withdrawal of reduction in import duty of Titanium Dioxide; and

(b) if so, the action taken or proposed to be taken by the Union Government thereon?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Yes, Sir.

(b) In the Budget for 1996-97, the basic customs duty on all chemicals was reduced from 50% to 40% or lower in some cases. In respect of titanium dioxide the reduction in customs duty was from 50% to 40%. The request of Government of Kerala in this regard will be considered as a part of the budget exercise for 1997-98.

[Translation]

Small Scale Industries

4363. PROF. PREM SINGH CHANDUMAJRA :
SHRI NAWAL KISHORE RAI :

Will the Minister of INDUSTRY be pleased to state:

(a) whether the attention of the Government has been drawn to the news-item appearing in Daily Observer dated November 18, 1996 under the caption "A fluidly vague Small Scale Sector";

(b) if so, whether 40% production of the total output is produced by the small industries in the country besides 34% of its share in the total export and providing employment to 1 crore 50 lakh people;

(c) if not, the estimate of the Government in this regard;

(d) whether the Government have also evaluated the amount of capital investment in small scale sector;

(e) if so, the details thereof alongwith amount invested therein; and

(f) the total number of units of small scale sector functioning by the end of March, 1996 in the country?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) Yes, Sir.

(b) and (c). As per Government estimates, share of production of SSI Sector was 41.27% out of total industrial production in the country during 1994-95. SSI Sector accounted for 35.15% of the total direct exports during 1994-95. An estimated 1.53 crore persons were employed in SSI sector till 1995-96.

(d) and (e). The data on investment in SSI sector is collected only through Sample Surveys/Census. The latest information available relates to reference year 1987-88, which was collected through 2nd All India Census of registered SSI units. According to this, the capital invested in registered SSI Sector was Rs. 9296 crores.

(f) Total number of SSI units functioning by the end of March, 1996 is not available. However, as per Second All India Census of SSI units conducted with reference year 1987-88, 5.82 lakhs SSI units were found functioning out of a total of 9.87 lakh registered SSI units by 31st March, 1988.

[English]

Foreign Exchange Reserves

4364. SHRI MADHAVRAO SCINDIA : Will the Minister of FINANCE be pleased to state :

(a) whether the foreign reserves position has suffered considerable erosion during the past few months;

(b) if so, the comparative foreign exchange reserve position as on 1st April and July 1996 and the likely position on First January and April 1997; and

(c) the reasons for the erosion?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) No, Sir. The foreign exchange reserves position has improved in recent months.

(b) The foreign exchange reserves, comprising foreign currency assets of the RBI, gold and SDRs rose from US $ 21, 687 million at the end of March 1996 to US$ 22,091 million at the end of June 1996 and further to US$ 23796 million on November 29,1996. The foreign exchange reserves position on future dates will depend upon several factors, such as the net inflow or outflow of funds on account of the external transactions put through the RBI, developments on the current and capital accounts of the balance of payments and the demand and supply conditions in the foreign exchange market, which are difficult to predict with certainty.

(c) Does not arise.